

106TH CONGRESS  
2D SESSION

# H. R. 4694

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to require that the size of the public debt be reduced during each fiscal year by the amount of the net surplus in the Social Security and Medicare trust funds at the end of that fiscal year.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2000

Mr. SMITH of Michigan introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to require that the size of the public debt be reduced during each fiscal year by the amount of the net surplus in the Social Security and Medicare trust funds at the end of that fiscal year.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security and  
5 Medicare Surplus Protection Act of 2000”.

1 **SEC. 2. SEQUESTRATION OF FEDERAL SPENDING TO RE-**  
 2 **DUCE THE PUBLIC DEBT.**

3 (a) SEQUESTRATION TO REDUCE THE PUBLIC  
 4 DEBT.—Part C of the Balanced Budget and Emergency  
 5 Deficit Control Act of 1985 is amended by adding after  
 6 section 253 the following new section:

7 **“SEC. 253A. SEQUESTRATION TO REDUCE THE PUBLIC**  
 8 **DEBT.**

9 “(a) SEQUESTRATION.—Within 15 days after Con-  
 10 gress adjourns to end a session, and on the same day as  
 11 a sequestration (if any) under sections 251 and 252, but  
 12 after any sequestration of budget-year budgetary re-  
 13 sources required by those sections, there shall be a seques-  
 14 tration equivalent to the estimated net surplus in the so-  
 15 cial security and medicare trust funds for the budget year,  
 16 as estimated by the Secretary of the Treasury on Sep-  
 17 tember 30 of that year.

18 “(b) APPLICABILITY.—Each non-exempt account  
 19 within a category shall be reduced by a dollar amount cal-  
 20 culated by multiplying the level of budgetary resources in  
 21 that account at that time by the uniform percentage nec-  
 22 essary to carry out subsection (a). All obligational author-  
 23 ity reduced under this section shall be done in a manner  
 24 that makes such reductions permanent.”.

25 (b) REPORTS.—Section 254 of the Balanced Budget  
 26 and Emergency Deficit Control Act of 1985 is amended—

1           (1) in subsection (c)(1), by inserting “, and se-  
2       questration to reduce the public debt,”;

3           (2) in subsection (c), by redesignating para-  
4       graph (5) as paragraph (6) and by inserting after  
5       paragraph (4) the following new paragraph:

6           “(5) SEQUESTRATION TO REDUCE THE PUBLIC  
7       DEBT REPORTS.—The preview reports shall set forth  
8       for the budget year estimates for each of the fol-  
9       lowing:

10           “(A) The net surplus in the social security  
11           and medicare trust funds for the budget year,  
12           as estimated by the Secretary of the Treasury.

13           “(B) The amount of reductions required  
14           under section 253A.

15           “(C) The sequestration percentage nec-  
16           essary to achieve the required reduction in ac-  
17           counts under section 253A(b).”; and

18           (3) in subsection (f), by redesignating para-  
19       graphs (4) and (5) as paragraphs (5) and (6), re-  
20       spectively, and by inserting after paragraph (3) the  
21       following new paragraph:

22           “(4) SEQUESTRATION TO REDUCE THE PUBLIC  
23       DEBT REPORTS.—The final reports shall contain the  
24       net surplus in the social security and medicare trust

1 funds for the budget year, as estimated by the Sec-  
2 retary of the Treasury on September 30.”.

3 (c) DEFINITION.—Section 250(c) of the Balanced  
4 Budget and Emergency Deficit Control Act of 1985 is  
5 amended by adding at the end the following new para-  
6 graph:

7 “(20) The term ‘social security and medicare  
8 trust funds’ refers to the Federal Old-Age and Sur-  
9 vivors Insurance Trust Fund, the Federal Disability  
10 Insurance Trust Fund, the Federal Hospital Insur-  
11 ance Trust Fund, and the Federal Supplementary  
12 Medical Insurance Trust Fund.”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to fiscal year 2001 and each fiscal  
15 year thereafter and shall cease to have any effect after  
16 the earlier of—

17 (1) the first fiscal year during which there is no  
18 public debt; or

19 (2) the fiscal year during which there is enacted  
20 legislation which is determined, under Government  
21 budgeting and scoring principles, to keep social secu-  
22 rity and medicare solvent.

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